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SUBJECT: Ambassador's Visit Highlights U.S. Engagement in Northern Luzon

11. (U) SUMMARY: The Ambassador traveled to Ilocos Norte, a relatively remote area in the far north of the Philippines, to reaffirm U.S. commitment to the region through donation of computer

equipment to governmental and educational institutions by USAID and DHS. During the two-day trip, the Ambassador visited an important veteran's memorial, and met with regional civic leaders to highlight progress on enforcement of environmental regulations. The Ambassador's events were well-covered by the Philippine media. END SUMMARY.

Ilocos Norte: The Region

12. (U) Ilocos Norte is a province marked by a tradition of achievement, emigration, and the Marcos legacy. A high value is placed on order and education, evidenced by the tidiness of public places and a concern for educational facilities. Ilocanos have been migrating to Hawaii in large numbers for over 100 years, originally to work the pineapple harvest, and more recently to fill healthcare and service industry positions. Influx of capital from returning residents and remittances of U.S.-earned income comprise a significant portion of regional revenue. The traditional economy is based on agriculture and fishing, and the recent introduction of casino gaming is attracting large numbers of Chinese and Korean tourists.

13. (SBU) Of concern to the region is the extensive smuggling of both consumer goods and persons, which is facilitated by proximity to Hong Kong and the Chinese mainland, and by the lack of adequate border controls. The illicit products are mainly destined for the domestic market, although counterfeit currency and undocumented individuals could ultimately make their way to Taiwan and the U.S. The recent establishment of a Consulate of the People's Republic of China in Ilocos Norte's capital city of Laoag has served to consolidate the Chinese presence.

14. (SBU) Governor Michael Marcos Keon is the nephew of former President Ferdinand Marcos, son of three-term governor Elizabeth Marcos, and cousin of former governor and now Congressman Ferdinand Marcos, Jr. A collegiate athlete and avid sportsman, he served as director of the national sports program and a member of the Provincial Board of Ilocos Norte before assuming the governorship and reaffirming the dominant role of the Marcos family in regional politics. The Mayor of Laoag City is of the rival Farinas clan, who together with ex-governor and congressman Roque Ablan constitute the main local opposition to the Marcos family.

Computers for Government and Education

15. (U) The Ambassador dedicated \$372,000 in computer equipment donated by USAID to the district offices of the Philippine Bureau of Internal Revenue in Laoag City as part of the Millennium Challenge Account Threshold Program. Local press and an enthusiastic crowd of Bureau of Internal Revenue employees and regional and national dignitaries attended the launch of equipment designed to increase the efficiency and transparency of the revenue collection process in the province.

16. (U) Rural school districts were introduced to the digital age in a ceremony dedicating the first computers ever possessed by

regional schools. The Ambassador was joined by representatives of the Department of Homeland Security's Immigration and Customs Enforcement division which donated the computers to elementary and secondary schools in northern townships of the province. The principal of a hosting school delivered a powerful speech in which he asked the Ambassador to convey gratitude to President Bush for honoring his humble rural school district with the donation of computers which will enable area students to benefit from modern educational technology. The more than 800 children in attendance carried home made American flags and banners proclaiming "God Bless America."

Honoring WWII Veterans

¶7. (U) The Stingray Memorial on Caunayan Bay was the site of a moving ceremony honoring veterans. This remote monument commemorates the clandestine landing of supplies and munitions by American submarines during World War II in support of Philippine insurgency operations. The Ambassador highlighted the long history of the Philippine-American alliance and the foundation that it provides for peace and prosperity in the region. Veterans of the landings attending the ceremony were warmly recognized. Floral wreaths were launched into the sea in memory of American and Filipino veterans.

Regional and Local Leaders - Connections and Issues

¶8. (SBU) The Ambassador met with provincial and municipal leaders, and with the Bishop of the Diocese of Laoag. Topics discussed included environmental issues, development of non-gambling tourism, and concerns about smuggling activities and trafficking in persons initiating from Taiwan, Hong Kong, and the Chinese mainland. The Ambassador acknowledged efforts at the provincial and national level to contain illegal activities and encouraged renewed focus on enforcement deficiencies.

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¶9. (U) The Ambassador praised local authorities for banning the practice of dynamite fishing and for aggressive enforcement of other environmental ordinances. She acknowledged the Governor's commitment to sustainable development and Laoag City's winning of the Presidential Clean and Green Award for three consecutive years. The significance of these to the tourism industry was noted, as was the potential of the region as an ecotourism destination.

National and Local Media

¶10. (U) The Ambassador was interviewed by local media representatives in the provincial capital of Laoag City. A taped TV interview highlighted the contribution of computer equipment to the Bureau of Internal Revenue and featured the Ambassador's personal connection with citizens and civic leaders. A live radio interview focused on the purpose and substance of the Ambassadorial visit and afforded opportunity to acknowledge the achievements of the region in education and preservation of the natural environment. Both interviews were broadcast on national networks.

KENNEY